

# DRAFT

## CALFED Water Use Efficiency - FY 2000 Implementation

### 1. Background

The Water Use Efficiency element of the CALFED Bay-Delta Program is one of the cornerstones of CALFED's water management strategy. The ultimate goal of the CALFED Water Use Efficiency element is to develop a set of programs and assurances that contributes to CALFED goals and objectives, has broad stakeholder acceptance, fosters efficient water use, and helps support a sustainable economy and ecosystem.

The Water Use Efficiency element is based on the recognition that although efficiency measures are implemented locally and regionally, the benefits of water use efficiency accrue at local, regional, and state-wide levels. The role of CALFED agencies in water use efficiency will be to offer support and incentives through expanded programs that will provide planning, technical, and financial assistance. CALFED agencies will also support institutional arrangements that give local water suppliers an opportunity to demonstrate their implementation of cost-effective efficiency measures. Some potential water use efficiency benefits, such as water quality improvements, may be regional or statewide rather than local. In these situations, CALFED planning and cost-share support are expected to be particularly effective.

The Water Use Efficiency element addresses four categories: urban, agricultural, managed wetlands and water recycling.

### 2. FY 2000 Funding Priorities

The Water Use Efficiency element is to be funded at a level of \$2,500,000 for FY 1999-0000. To complete vital incentive program refinement, augment technical assistance, and begin early implementation, staff proposes allocating approximately \$1,325,000 to agricultural and managed wetlands activities, \$987,500 to urban activities, and \$187,500 for water recycling (Table 1).

***Agriculture and Managed Wetlands:*** The agricultural and managed wetlands activities will be combined during this fiscal year because their planning and early implementation objectives are very similar. Program refinement activities will include completing design of the incentive program and beginning a process to define appropriate measurement. These refinement activities are budgeted at approximately \$600,000. This includes funding support for the Agricultural Water Management Council (AWMC). The level of support for the AWMC is still being determined, but CALFED will likely support AWMC activities related to refining their economic analysis and Water Management Plan review process.

To assist with the refinement and early implementation tasks, staff proposes budgeting \$175,000 to add a total of two staff or consultants to DWR, USBR, and/or NRCS water conservation programs. Additional technical assistance will be important in increasing information dissemination and helping local water managers overcome barriers in efficiency adoption.

Early implementation is expected to begin with pilot projects that address objective related to

## DRAFT

flow/timing (roughly budgeted at \$150,000), water quality (roughly budgeted at \$200,000), and water quantity (roughly budgeted at \$200,000). The total budget for pilot project is \$550,000. Potential pilot projects have been identified in Colusa, Merced, Stanislaus, and/or Yolo Counties. The allocation between flow/timing, water quality, and water quantity projects will reflect the priorities in Targeted Benefits.

**Urban:** The proposed budget for competing the urban incentive program design is \$450,000. This includes funding support for the California Urban Water Conservation Council (CUWCC). The level of support for the CUWCC is still being determined, but CALFED expects to support the CUWCC's efforts to complete the certification process, develop a method for determining cost effectiveness, and assist CALFED in refining our urban incentive program.

Funds budgeted to add the equivalent of one technical assistant or consultant to DWR and/or USBR conservation programs are estimated at \$87,000. We expect that increased technical assistance will be needed to increase information dissemination and help local water managers overcome barriers in efficiency adoption.

Flow/timing pilot projects are roughly budgeted at \$100,000; water quality roughly at \$150,000; and water quantity roughly at \$200,000 (totaling \$450,000 for urban pilot projects). Potential pilot projects are still being identified. The allocation between flow/timing, water quality, and water quantity projects is currently an estimate that will be refined as pilot projects are better defined.

**Recycling:** The design of the recycling incentive program will be completed using an estimated \$100,000 in this fiscal year. Approximately \$87,000 is budgeted to add the equivalent of one staff member or consultant to SWRCB, DWR, and/or USBR water recycling programs.

No funding is budgeted for pilot projects, because sufficient pilot funding exists in Proposition 204 and Title XVI budgets.

### 3. Stakeholder and Public Input

In addition to ongoing input and support from BDAC, stakeholder input will be sought from the Agricultural Focus Group, the Ad Hoc Urban Incentive Committee, and the soon to be formed Ad Hoc Water Recycling Committee for the ag/wetlands, urban, and recycling sub-elements, respectively.

Informal advisory groups such as these have been vital to program planning to date. In addition to continued advice related to program refinement, the Ag and Urban advisory groups will have limited involvement in pilot project development. To avoid conflicts of interest, the informal stakeholder groups will be asked to help guide the criteria for selecting pilot projects, but will not be directly involved in project selection.

### 4. Proposed Method for Distributing Funding

## DRAFT

We expect to distribute all of the funds described above through directed actions. Staff and consultants will conduct most of the program refinement tasks. The technical assistance will be strategically delegated to the appropriate entity.

Although we expect to use a competitive proposal process to award incentive funding during Stage 1, non-competitive directed action is the most appropriate method of distributing funds for pilot project during FY 2000. This is because each pilot project will either have a research or study objective (to help us answer key pre-implementation questions) or will represent a unique priority early implementation opportunity.

Local government agencies will be selected to conduct pilot projects on the following criteria:

- The ability to answer key implementation questions,
- The potential to address priority objectives (Ag early implantation projects will address priority Targeted Benefits) The ability of the acting entity to show intended results in the near term

### 5. Time Line

Program refinement tasks have already begun, and are expected to be partially complete prior to the ROD and completed by the end of 2000. Technical assistance tasks are expected to be ongoing through Stage 1. The first pilot projects are expected to begin in early February. All pilot projects are expected to begin prior to the ROD.

# DRAFT

<b>Table 1</b> <b>Water Use Efficiency Element</b> <b>FY 2000 Funding Priorities</b>				
<b>Tasks</b>	<b>Ag &amp; Managed Wetlands</b>	<b>Urban</b>	<b>Recycling</b>	<b>Total</b>
Program Refinement				
Incentive Program	450,000 <sup>1</sup>	450,000 <sup>2</sup>	100,000	1,000,000
Other	150,000 <sup>3</sup>	0	0	150,000
Subtotal	600,000	450,000	100,000	1,150,000
Technical Assistance	175,000 <sup>4</sup>	87,500 <sup>5</sup>	87,500 <sup>6</sup>	350,000
Pilot Projects				
Flow/Timing	150,000 <sup>7</sup>	100,000 <sup>8</sup>	0 <sup>9</sup>	250,000
Quality	200,000 <sup>10</sup>	150,000 <sup>11</sup>	0 <sup>9</sup>	350,000
Quantity	200,000 <sup>12</sup>	200,000 <sup>13</sup>	0 <sup>9</sup>	400,000
Subtotal	550,000 <sup>14</sup>	450,000 <sup>15</sup>	0	1,000,000
<b>Total</b>	<b>1,325,000</b>	<b>987,500</b>	<b>187,500</b>	<b>2,500,000</b>

**Notes:**

- <sup>1</sup> Ag and Managed Wetlands Incentive Program: Includes developing quantifiable objectives and funding support for the Agricultural Water Management Council (AWMC).
- <sup>2</sup> Urban Incentive Program: Includes completing certification process and funding support for the California Urban Water Conservation Council (CUWCC).
- <sup>3</sup> Other Ag Incentive Program: Includes defining appropriate measurement.
- <sup>4</sup> Ag and Managed Wetlands Technical Assistance funds: To be strategically allocated to DWR, USBR, and/or NRCS to remove technical barriers to Water Use Efficiency implementation.
- <sup>5</sup> Urban Technical Assistance funds: To be strategically allocated to DWR and/or USBR to remove technical barriers to Water Use Efficiency implementation.
- <sup>6</sup> To be strategically allocated to DWR, SWRCB and/or USBR to remove technical barriers to Water Use Efficiency implementation.
- <sup>7</sup> Ag and Managed Wetlands water flow/timing pilots: To be linked to the highest priority Targeted Benefits.
- <sup>8</sup> Urban Flow/Timing pilots: To give priority to projects that would reduce urban diversion from streams with anadromous fish (e.g. Mokelumne River).
- <sup>9</sup> Water Recycling pilots: Existing Proposition 204 and Title XIV funds expected to be used for pilot projects.
- <sup>10</sup> Ag and Managed Wetlands water quality pilots: To be linked to highest priority Targeted Benefits, such as reducing salt/Se load to SJ River. May also include nutrient and temperature loading
- <sup>11</sup> Urban water quality pilots: To give priority to reducing constituents of concern.
- <sup>12</sup> Ag and Managed Wetlands water quantity pilots: To reflect highest priority Targeted Benefits, such as evaporation reduction and reduction of flow to salt sinks.
- <sup>13</sup> Urban Water Quantity pilots: To give priority to reduction of flow to salt sinks. May also include reduction of ET.
- <sup>14</sup> The funds budgeted for individual categories (flow/timing, quality, quantity) are variable, but the total budget for Ag and Managed Wetlands pilots is firm.
- <sup>15</sup> The funds budgeted for individual categories (flow/timing, quality, quantity) are variable, but the total budget for Urban pilots is firm.